

A Tohtonku Sdn Bhd v Suprace (M) Sdn Bhd

SUPREME COURT — CIVIL APPEAL NO 02-63-1989

HARUN HASHIM, MOHAMED YUSOFF AND AJAIB SINGH SCJJ

20 MARCH 1992

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Civil Procedure — Intervener — Right to intervene — Whether respondent had direct interest in matter — Whether respondent's legal interests directly affected — Whether respondent should be allowed to intervene in action

C

Trademarks — False trade description — Whether trade mark of the appellant had been infringed by respondent — Tests to be applied — Trade Descriptions Act 1972 s 16 — Trade Marks Act 1976 ss 35 & 38

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This was an appeal against the decision of the High Court that the respondent had a direct interest in the matter and should be allowed to intervene in these proceedings and also that the appellant's rights in respect of its trade mark 'MISTER' had not been infringed (see [1989] 2 MLJ 298). The appellant had applied under s 16 of the Trade Descriptions Act 1972 ('the Act') for an order declaring that the respondent's trade mark 'SISTER' was a false trade description for the purposes of the Act.

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Held, dismissing the appeal:

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(1) In determining whether a party may be added as an intervener, the test is if his 'legal interests', ie his rights against or liabilities to any party to the action in respect of the subject matter of the action would be directly affected by any order or judgment which might be made in the action. Applying the test the answer to the question was definitely in the affirmative where the respondent was concerned and therefore the High Court was correct in its decision allowing the respondent to intervene in these proceedings.

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(2) On the merits of the case, having regard to the 'tests' set out in *The Pianotist Co Ltd*, the High Court was correct in concluding that it was not likely that ordinary purchasers would be deceived into regarding the respondent's product to be the product of the appellant, that the appellant's rights in respect of its trade mark had not been infringed and consequently the appellant was not entitled to the order under s 16 of the Act.

H**[Bahasa Malaysia summary]****I**

Rayuan ini adalah terhadap keputusan Mahkamah Tinggi bahawa responden mempunyai kepentingan langsung dalam perkara itu dan harus dibenarkan mencelah di dalam prosiding ini dan juga bahawa hak perayu berkenaan dengan tanda niaga beliau 'MISTER' tidak dilanggar (lihat [1989] 2 MLJ 298). Perayu telah memohon suatu perintah di bawah s 16 Akta Perihal Dagangan 1972 ('Akta itu')

mengisytiharkan bahawa tanda niaga responden 'SISTER' adalah perihal dagangan yang palsu dalam maksud Akta itu.

Diputuskan, menolak rayuan itu:

- (1) Dalam memutuskan sama ada sesuatu pihak boleh dicampur sebagai pencelah, ujian yang kena dipakai adalah sama ada 'kepentingan di sisi undang-undang' pihak itu, iaitu haknya terhadap atau liabiliti kepada sebarang pihak dalam tindakan itu berkenaan dengan isi tindakan itu akan terlibat secara langsung oleh apa-apa perintah atau penghakiman yang mungkin dibuat dalam tindakan itu. Dengan menggunakan ujian tersebut bagi responden, jawapan kepada soalan itu adalah sudah tentunya mengiakan dan oleh kerana itu keputusan Mahkamah Tinggi membenarkan responden mencelah dalam prosiding sekarang ini adalah betul.
- (2) Tentang merit kes ini, dengan mengambil perhatian terhadap ujian-ujian yang dikemukakan di dalam *The Pianotist Co Ltd*, keputusan Mahkamah Tinggi bahawa tidaklah mungkin pembeli-pembeli biasa akan diperdayakan menganggap barang keluaran responden sebagai barang keluaran perayu, bahawa hak perayu berkenaan dengan tanda niaga beliau tidak dilanggar dan oleh yang demikian perayu tidak berhak mendapat perintah di bawah s 16 Akta itu adalah betul.]

Cases referred to

- 1 *Pegang Mining Co Ltd v Choong Sam & Ors* [1969] 2 MLJ 52 (folld)
- 2 *Hille International Ltd v Tiong Hin Engineering Pte Ltd* [1983] 1 MLJ 145 (refd)
- 3 *Jordache Enterprises Inc v Millennium Pte Ltd* [1985] 1 MLJ 281 (refd)
- 4 *Chong Fok Shang & Anor v Lily Handicraft & Anor* [1989] 2 MLJ 348 (folld)
- 5 *The Pianotist Co Ltd* (1906) 23 RPC 774 (folld)

Legislation referred to

Trade Marks Act 1976 ss 35, 38
Trade Descriptions Act 1972 s 16

Appeal from: Originating Motion No 32-48-88 (High Court, Penang)

Muhammad Shafee Abdullah and Peter Huang (Peter Huang & Associates) for the appellant.

Choy Kam Lee and KC Lai (KC Lai & Co) for the respondent.

Cur Adv Vult

Mohamed Yusoff SCJ (delivering the judgment of the court): This is an appeal against the decision of the learned trial judge who held, on the preliminary issue, that the intervener had a direct interest in the matter and should therefore be allowed to intervene in these proceedings. The learned

A trial judge also held, on another preliminary issue, that an ex parte order is always a provisional order and that being so is always liable to be set aside by the court on the application of any person who is affected by the order.

It is settled law, on the authorities, that a party may be added if his 'legal interests' will be affected by the judgment in the action but not if his commercial interests alone would be affected: per Lord Diplock in *Pegang Mining Co Ltd v Choong Sam & Ors*¹ at pp 55-56. In that case, the Privy Council had formulated the test to determine whether a party's interests in the matter are 'legal' or merely 'commercial' in the following words (at p 56):

C A better way of expressing the test is: will his rights against or liabilities to any party to the action in respect of the subject matter of the action be directly affected by any order which may be made in this action?

The answer to that question, as far as the interveners in this case are concerned, is definitely in the affirmative. We therefore hold that the learned trial judge was correct in his decision on this point.

D With regard to the merits of the case, the principal issue before the learned trial judge was whether the trade mark of the appellant had been infringed by the intervener. Under s 35 of the Trade Marks Act 1976 the registered proprietor of a trade mark in respect of any goods has the exclusive right to the use of the trade mark in relation to those goods.

E Under s 16 of the Trade Descriptions Act 1972, where any registered proprietor or registered user of any trade mark finds that his rights in respect of such trade mark has been infringed, he may apply for an order declaring such infringing trade mark to be a false trade description for the purposes of this Act.

F Under s 38 of the Trade Marks Act 1976, a registered trade mark is infringed by a person who uses a mark which:

- (a) is identical with it; or
- (b) so nearly resembling it as is likely to deceive; or
- (c) so nearly resembling it as is likely to cause confusion.

G On the evidence, the learned trial judge had held that the appellant's goods and the intervener's goods were not identical. On the question of resemblance and likelihood of deception, the learned judge said that, having regard to 'not only the whole mark' but also to their 'distinguishing or essential features', he was satisfied that:

H It is not likely ordinary purchasers would be deceived into regarding the intervener's product to be the produce of the applicant.

Having so found that the appellant's rights have not been infringed, the learned judge consequently held that the appellant was not entitled to the order made under s 16 of the Trade Descriptions Act 1972.

I In their submissions during the hearing of their appeal to this court, counsel for the appellant had cited several authorities in support of their arguments, including *Hille International Ltd v Tiong Hin Engineering Pte Ltd*,² *Jordache Enterprises Inc v Millennium Pte Ltd*³ and *Chong Fok Shang & Anor v Lily Handicraft & Anor*.⁴

In *Hille International*,² the plaintiffs were the registered proprietor of a trade mark 'hille' in respect of their product (polypropylene chair shells) since 1968. The defendants came out with a similar product under the brand name 'CILLY'. The learned trial judge, Rajah J held (at p 47) that:

I am satisfied that on the evidence before me ... the defendants deliberately invented the word 'CILLY' to deceive and cause confusion in the trade.

The court, however, held that there was no passing off as the colours and shapes used in the manufacture of the product was common to the trade.

In *Jordache*,³ the appellants were the registered proprietors of the trade mark 'Jordache' in respect of men's and women's jeans. In May 1982, they appointed a sole agent in Singapore to distribute their product in Singapore. Whilst preparations were going on, but before they could launch their product, the defendants came out with their product under the unregistered trade mark 'Jordane'. The learned trial judge, LP Thean J held (at p 283) that:

Looking at and listening to the two names 'Jordache' and 'Jordane', I ineluctably arrive at a conclusion that one so closely resembles the other as to be likely to deceive or cause confusion in the course of trade ...

Consequently, the defendants had infringed the plaintiffs' trade mark. The judge, however, held that the plaintiffs had failed to establish their claim for passing off.

In *Chong Fok Shang*,⁴ the plaintiffs were the registered proprietors of the trade mark 'Minlon' in respect of their product (knitting yarns). The defendants were manufacturers of a similar product, which they marketed in 1986 under the trade mark 'Winlon'. The learned trial judge, Wan Adnan J, held (at pp 349-350):

The question is ... whether the mark 'Winlon' used by the defendants so nearly resembles the plaintiffs' trade mark 'Minlon' as to be likely to deceive or cause confusion ...

Using the tests which I have earlier referred to and judging from the sound and appearance of the two words 'Minlon' and 'Winlon' I find that the defendants' mark 'Winlon' so nearly resembles the plaintiffs' trade mark 'Minlon' as to be likely to deceive or cause confusion. I also find that the mark 'Winlon' used by the defendants would lead persons of average intelligence into accepting the knitting yarns of the defendants as and for the knitting yarns of the plaintiffs.

The 'tests' which Wan Adnan J was referring to were contained in Parker J's judgment in *The Pianotist Co Ltd*⁵ in the following terms:

You must take the two words. You must judge them, both by their look and their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those marks are used in a normal way as a trade mark of the goods of the respective owners of the marks.

In the instant case, the learned trial judge had found that 'there are two features of the two marks which are similar, namely, red in colour and split

A in wording'. However, having regard to the totality of the circumstances of the case, the learned judge was apparently satisfied that:

B there is no similarity between the two words 'MISTER' and 'SISTER' as to be likely to cause deception or confusion. The words are different. There is similarity in the second syllable but as a whole the similarity is not close enough as to be likely to cause deception or confusion. Further, the get-up of the intervener's product is green background colour with the picture of a lady whereas the get-up of the applicant's product is white-blue-grey background colour with the picture of a lady and a man.

C We are in agreement, having regard to the 'tests' as mentioned by Wan Adnan J in *Chong Fok Shang*,⁴ citing with the approval Parker J's judgment in the *The Pianotist Co Ltd*,⁵ the trial judge was correct when he concluded that:

D Applying the above test and considering the appearance of the two marks together with their features I find that it is not likely that ordinary purchasers would be deceived into regarding the intervener's product to be the product of the applicant.

In the premises, we hold that the appellant's rights in respect of their trade mark 'MISTER' had not been infringed and their appeal must be dismissed.

E *Appeal dismissed.*

Reported by Prof Ahmad Ibrahim

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